

Message Text

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PAGE 01 JIDDA 03084 271101Z
ACTION COME-00

INFO OCT-01 NEA-10 ISO-00 EB-08 /019 W
-----271108Z 010095 /14
R 270755Z APR 77
FM AMEMBASSY JIDDA
TO SECSTATE WASHDC 8129
INFO AMCONSUL DHAHRAN

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E.O. 11652: N/A
TAGS: BENC, SA
SUBJECT: JUBAIL PROJECT

REF: USDOC 6927

1. SAUDI BASIC INDUSTRIES CORPORATION (SABIC) IS IN FINAL STAGES OF NEGOTIATION ON JUBAIL STEEL PROJECT. SABIC DIRECTOR-GENERAL OF PROJECT EVALUATION SALAMA TOLD EMBOFF APRIL 25 IN RIYADH THAT ENGINEERING AND EXECUTION CONTRACT COULD BE ANNOUNCED "IN NEXT FEW DAYS"; HE BELIEVED CONTRACT WOULD GO TO MIDREX/KORF. NEGOTIATIONS WITH MARSTEEL GROUP WERE BROKEN OFF, ACCORDING TO SALAMA, BECAUSE MARSTEEL HAD ASKED FOR FURTHER DELAY WHILE SABIC WISHED TO MOVE AHEAD. PULLMAN/SWINDELL AND THYSSEN/PUROFFER ARE ONLY KORF COMPETITORS. SABIC SAYS IT UNINTERESTED IN U.S. STEEL'S PROPOSALS BECAUSE SAUDIS DON'T WANT UNPROVEN TECHNOLOGY.

2. PLANT TO BE DESIGNED FOR TWO-STAGE EXECUTION. FIRST STAGE, BEING CONTRACTED NOW, IS FOR 800,000 TONS/YEAR, LARGELY TO BE ABSORBED BY DOMESTIC MARKET ACCORDING TO SABIC'S PROJECTIONS. DESIGN MUST INCLUDE CAPACITY TO EXPAND PRODUCTION IN SECOND STAGE BY ADDITIONAL 400-800 MTY "AS MARKET REQUIRES". KAISER HAS BEEN RETAINED AS CONSULTING ENGINEER.

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3. SABIC ALSO TOLD US THAT JUBAIL METHANOL PLANTS WERE UNDER ACTIVE NEGOTIATION. SAUDIS ARE APPARENTLY TALKING TO W.R. GRACE, BORDEN, HOUSTON NATURAL GAS, AND A JAPANESE CONSORTIUM AND HOPE TO SIGN CONTRACTS "SOON" FOR AT LEAST TWO PLANTS OF 2000 TONS/DAY CAPACITY.
PORTER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 27-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977JIDDA03084
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Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
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Expiration:
Film Number: D770146-1141
Format: TEL
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770415/aaaaamml.tel
Line Count: 62
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0257c19c-c288-dd11-92da-001cc4696bcc
Office: ACTION COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
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Review Content Flags:
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2682482
Secure: OPEN
Status: NATIVE
Subject: JUBAIL PROJECT
TAGS: BENC, SA
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/0257c19c-c288-dd11-92da-001cc4696bcc
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